

3900 Air Resources Board

The Air Resources Board has primary responsibility for protecting air quality in California. This responsibility includes establishing ambient air quality standards for specific pollutants, administering air pollution research studies, evaluating standards adopted by the U.S. Environmental Protection Agency and developing and implementing plans to attain and maintain these standards. These plans include emission limitations for vehicular and industrial sources established by the Board and local air pollution control districts. The Air Resources Board also has the responsibility, in coordination with the Secretary for Environmental Protection, to develop measures to reduce greenhouse gas emissions to 1990 levels by 2020, pursuant to Chapter 488, Statutes of 2006 (AB 32).

Since department programs drive the need for infrastructure investment, each department has a related capital outlay program to support this need. For the specifics on the Air Resources Board's Capital Outlay Program see "Infrastructure Overview."

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
15 Mobile Source	598.4	640.8	719.5	\$215,245	\$269,938	\$330,468
25 Stationary Source	262.5	265.7	293.7	41,700	43,803	53,033
30.01 Administration	117.5	118.5	134.3	11,407	11,960	13,926
30.02 Distributed Administration	-	-	-	-11,407	-11,960	-13,926
35 Subvention	-	-	-	10,111	10,111	10,111
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	978.4	1,025.0	1,147.5	\$267,056	\$323,852	\$393,612
FUNDING				2005-06*	2006-07*	2007-08*
0001 General Fund				\$2,211	\$2,280	\$3,435
0044 Motor Vehicle Account, State Transportation Fund				99,513	156,442	105,104
0115 Air Pollution Control Fund				136,063	130,726	153,891
0421 Vehicle Inspection and Repair Fund				12,393	13,259	13,252
0434 Air Toxics Inventory and Assessment Account				746	866	869
0890 Federal Trust Fund				12,006	13,778	13,963
0995 Reimbursements				3,824	5,002	5,075
3070 Nontoxic Dry Cleaning Incentive Trust Fund				300	1,499	1,523
6053 Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006				-	-	96,500
TOTALS, EXPENDITURES, ALL FUNDS				\$267,056	\$323,852	\$393,612

LEGAL CITATIONS AND AUTHORITY

PROGRAM AUTHORITY

15-Mobile Source:

Health and Safety Code Sections 38500 et seq. and 43000 et seq.

25-Stationary Source:

Health and Safety Code Sections 38500 et seq. and 39000 et seq.

35-Subvention:

Health and Safety Code Section 39800 et seq.

MAJOR PROGRAM CHANGES

- AB 32 - Global Warming Solutions - The Budget includes \$24.4 million special funds and 100.6 positions to implement AB 32. This funding will enable the Air Board to develop: (1) a mandatory emissions reporting system, (2) an implementation plan to reduce greenhouse gas emissions to 1990 levels by 2020, and (3) a market-based emissions trading program.
- Hydrogen Highway - The Budget includes \$6.03 million Motor Vehicle Account and 7.7 positions to continue development of the Hydrogen Highway. This funding will provide matching funds for up to eight publicly accessible hydrogen fueling stations and will prioritize funding for stations that generate hydrogen from promising renewable technologies, such as biomass, solar, and wind energy.

* Dollars in thousands, except in Salary Range.

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- School Bus Replacements and Retrofits - The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B) provides \$200 million for the replacement and retrofit of high-polluting school buses. The Budget includes \$96.5 million in Proposition 1B bond funds and 2.9 positions for the Air Board's Lower Emission School Bus Program.

DETAILED BUDGET ADJUSTMENTS

	2006-07*			2007-08*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Baseline Adjustment Descriptions						
• AB 32: Global Warming Solutions	\$-	\$-	-	\$-	\$24,358	100.6
• AB 679 Implementation - Diesel Fuel Evaluation	-	-	-	-	1,000	-
• AB 2276 - Regulation of Indoor Air Cleaning Devices	-	-	-	94	-	0.8
• Current Year Deficiency: Climate Change Litigation	-	3,368	-	-	-	-
• One-Time Baseline Adjustment: Lower Emission Construction Equipment Grants	-	-	-	-	-25,000	-
• One-Time Baseline Adjustment: Alternative Fuel Incentives and Grants	-	-	-	-	-25,000	-
• One-Time Baseline Adjustment: Hydrogen Highway	-	-	-	-	-6,500	-
• One-Time Baseline Adjustment: Equipment and Grants	-	-	-	-	-4,598	-
• Carryovers : Hydrogen Highway	-	-533	-	-	-2,040	-
• Employee Compensation/Retirement	-	8,896	-	-	8,812	-
• Other Baseline Adjustments	-	5	-	61	4,327	-
Totals, Baseline Adjustments	\$-	\$11,736	-	\$155	-\$24,641	101.4
Policy Adjustment Descriptions						
• Hydrogen Highway	\$-	\$-	-	\$-	\$6,033	7.7
• Proposition 1B - Lower-Emission School Bus Program	-	-	-	-	96,500	2.9
• Climate Change Litigation	-	-	-	1,000	-	-
• Diesel Health Risk Management	-	-	-	-	1,259	6.7
• Mobile Source Certification/Compliance	-	-	-	-	1,190	8.6
Totals, Policy Adjustments	\$-	\$-	-	\$1,000	\$104,982	25.9
TOTALS, BUDGET ADJUSTMENTS	\$-	\$11,736	-	\$1,155	\$80,341	127.3

PROGRAM DESCRIPTIONS (Program Objectives Statement)

15 MOBILE SOURCE

The Mobile Source Program works to improve air quality by reducing emissions from internal combustion engines as follows:

- Develop, implement and enforce laws and regulations limiting emissions from new and in-use vehicles and assess the effectiveness of established procedures.
- Develop testing and evaluation procedures for vehicles, engines, emission control components, fuel additives and test equipment to ensure that emission standards are met.
- Conduct information and training seminars for vehicle dealers, mechanics, inspectors and members of the public on vehicle emissions and resulting air pollution.
- Develop measures for reducing greenhouse gas emissions from mobile and other sources as required by the California Global Warming Solutions Act of 2006.

25 STATIONARY SOURCE

The Stationary Source Program works with air pollution control districts and the business and scientific communities to reduce emissions from stationary sources to comply with state and federal laws as follows:

- Develop measures for reducing emissions from stationary and other sources as required by the California Clean Air Act and work with local air pollution control districts to achieve and maintain state and federal ambient air quality standards.
- Identify substances that are toxic air contaminants and develop measures to control their emissions.
- Assist industries wishing to locate or expand in California and provide comments to lead agencies and districts on applications for permits to construct or modify facilities that are major sources of air pollution.

* Dollars in thousands, except in Salary Range.

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- Develop measures for reducing greenhouse gas emissions from stationary and other sources as required by the California Global Warming Solutions Act of 2006.

35 SUBVENTION

The Air Resources Board provides subventions to local air pollution control districts in order to encourage and provide support for effective district programs. The state's 35 local air pollution control districts have the primary responsibility for controlling stationary sources of air pollution in California.

DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

		<u>2005-06*</u>	<u>2006-07*</u>	<u>2007-08*</u>
PROGRAM REQUIREMENTS				
15	MOBILE SOURCE			
State Operations:				
0044	Motor Vehicle Account, State Transportation Fund	\$89,402	\$146,331	\$94,993
0115	Air Pollution Control Fund	111,162	107,008	122,337
0421	Vehicle Inspection and Repair Fund	12,393	13,259	13,252
0890	Federal Trust Fund	1,363	1,524	1,544
0995	Reimbursements	925	1,816	1,842
6053	Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006	-	-	96,500
Totals, State Operations		\$215,245	\$269,938	\$330,468
PROGRAM REQUIREMENTS				
25	STATIONARY SOURCE			
State Operations:				
0001	General Fund	\$2,211	\$2,280	\$3,435
0115	Air Pollution Control Fund	24,901	23,718	31,554
0434	Air Toxics Inventory and Assessment Account	746	866	869
0890	Federal Trust Fund	10,643	12,254	12,419
0995	Reimbursements	2,899	3,186	3,233
3070	Nontoxic Dry Cleaning Incentive Trust Fund	300	1,499	1,523
Totals, State Operations		\$41,700	\$43,803	\$53,033
PROGRAM REQUIREMENTS				
35	SUBVENTION			
Local Assistance:				
0044	Motor Vehicle Account, State Transportation Fund	\$10,111	\$10,111	\$10,111
Totals, Local Assistance		\$10,111	\$10,111	\$10,111
TOTALS, EXPENDITURES				
State Operations		256,945	313,741	383,501
Local Assistance		10,111	10,111	10,111
Totals, Expenditures		\$267,056	\$323,852	\$393,612

EXPENDITURES BY CATEGORY (Summary By Object)

	1 State Operations					
	<u>Positions</u>			<u>Expenditures</u>		
	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2005-06*</u>	<u>2006-07*</u>	<u>2007-08*</u>
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	978.4	1,071.6	1,066.6	\$66,059	\$71,839	\$72,301
Total Adjustments	-	-	150.8	-	6,428	16,251
Estimated Salary Savings	-	-46.6	-69.9	-	-3,426	-3,859
Net Totals, Salaries and Wages	978.4	1,025.0	1,147.5	\$66,059	\$74,841	\$84,693
Staff Benefits	-	-	-	22,299	26,420	30,082
Totals, Personal Services	978.4	1,025.0	1,147.5	\$88,358	\$101,261	\$114,775

* Dollars in thousands, except in Salary Range.

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1 State Operations	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
OPERATING EXPENSES AND EQUIPMENT				\$168,587	\$212,480	\$268,726
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$256,945	\$313,741	\$383,501
2 Local Assistance						
Grants and Subventions				\$10,111	\$10,111	\$10,111
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)				\$10,111	\$10,111	\$10,111

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2005-06*	2006-07*	2007-08*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$2,211	\$2,280	\$3,435
Prior year balances available:			
Chapter 1072, Statutes of 2000, Section 2a	77	-	-
Totals Available	\$2,288	\$2,280	\$3,435
Unexpended balance, estimated savings	-77	-	-
TOTALS, EXPENDITURES	\$2,211	\$2,280	\$3,435
0044 Motor Vehicle Account, State Transportation Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$85,639	-	-
Allocation for employee compensation	1,879	-	-
Adjustment per Section 3.60	-107	-	-
Transfer to Legislative Claims (9670)	-2	-	-
001 Budget Act appropriation, as amended by Chapter 48, Statutes of 2006	-	\$135,579	-
Allocation for employee compensation	-	3,992	-
Allocation for contingencies or emergencies	-	3,368	-
Adjustment per Section 3.60	-	373	-
Adjustment per Section 4.75 Statewide Surcharge	-	12	-
001 Budget Act appropriation	-	-	\$93,493
011 Budget Act appropriation (Transfer to Air Pollution Control Fund)	-	-	(15,179)
Chapter 91, Statutes of 2005	6,500	-	-
Prior year balances available:			
Item 3900-001-0044, Budget Act of 2006	-	-	1,500
Chapter 91, Statutes of 2005 as reappropriated by Item 3900-490, Budget Act of 2006	-	4,507	-
Totals Available	\$93,909	\$147,831	\$94,993
Balance available in subsequent years	-4,507	-1,500	-
TOTALS, EXPENDITURES	\$89,402	\$146,331	\$94,993
0115 Air Pollution Control Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$135,459	\$128,133	\$153,891
Allocation for employee compensation	724	2,443	-
Adjustment per Section 3.60	-120	149	-
Adjustment per Section 4.75 Statewide Surcharge	-	1	-
TOTALS, EXPENDITURES	\$136,063	\$130,726	\$153,891
0421 Vehicle Inspection and Repair Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$12,049	\$12,530	\$13,252

* Dollars in thousands, except in Salary Range.

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1 STATE OPERATIONS	2005-06*	2006-07*	2007-08*
Allocation for employee compensation	362	664	-
Adjustment per Section 3.60	-18	64	-
Adjustment per Section 4.75 Statewide Surcharge	-	1	-
TOTALS, EXPENDITURES	\$12,393	\$13,259	\$13,252
0434 Air Toxics Inventory and Assessment Account			
APPROPRIATIONS			
001 Budget Act appropriation	\$876	\$862	\$869
Adjustment per Section 3.60	-	4	-
Totals Available	\$876	\$866	\$869
Unexpended balance, estimated savings	-130	-	-
TOTALS, EXPENDITURES	\$746	\$866	\$869
0890 Federal Trust Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$12,006	\$12,892	\$13,963
Allocation for employee compensation	394	836	-
Adjustment per Section 3.60	-	60	-
Adjustment per Section 4.75 Statewide Surcharge	-	-10	-
Budget Adjustment	-394	-	-
TOTALS, EXPENDITURES	\$12,006	\$13,778	\$13,963
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$3,824	\$5,002	\$5,075
3070 Nontoxic Dry Cleaning Incentive Trust Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$1,499	\$1,499	\$1,523
Totals Available	\$1,499	\$1,499	\$1,523
Unexpended balance, estimated savings	-1,199	-	-
TOTALS, EXPENDITURES	\$300	\$1,499	\$1,523
6053 Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006			
APPROPRIATIONS			
001 Budget Act appropriation	-	-	\$96,500
TOTALS, EXPENDITURES	\$-	\$-	\$96,500
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$256,945	\$313,741	\$383,501
2 LOCAL ASSISTANCE			
0044 Motor Vehicle Account, State Transportation Fund			
APPROPRIATIONS			
101 Budget Act appropriation	\$10,111	\$10,111	\$10,111
TOTALS, EXPENDITURES	\$10,111	\$10,111	\$10,111
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)	\$10,111	\$10,111	\$10,111
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)	\$267,056	\$323,852	\$393,612

FUND CONDITION STATEMENTS

	2005-06*	2006-07*	2007-08*
0115 Air Pollution Control Fund [§]			
BEGINNING BALANCE			
Prior year adjustments	\$40,767	\$30,426	\$20,884
Adjusted Beginning Balance	799	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS	\$41,566	\$30,426	\$20,884
Revenues:			

* Dollars in thousands, except in Salary Range.

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	2005-06*	2006-07*	2007-08*
125600 Other Regulatory Fees	94,196	92,532	92,805
150300 Income From Surplus Money Investments	3,681	2,500	2,500
160400 Sale of Fixed Assets	1	1	1
164300 Penalty Assessments	3,439	2,000	2,000
Transfers and Other Adjustments:			
FO0044 From Motor Vehicle Account, State Transportation Fund loan per Item 0555-011-0044, Budget Act of 2007	-	-	695
FO0044 From Motor Vehicle Account, State Transportation Fund loan per Item 3900-011-0044, Budget Act of 2007	-	-	15,179
FO0226 From California Tire Recycling Management Fund per Public Resources Code 42889	23,987	25,000	25,000
Total Revenues, Transfers, and Other Adjustments	<u>\$125,304</u>	<u>\$122,033</u>	<u>\$138,180</u>
Total Resources	\$166,870	\$152,459	\$159,064
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0555 Secretary for Environmental Protection (State Operations)	253	675	2,135
0840 State Controller (State Operations)	25	54	45
3900 Air Resources Board			
State Operations	136,063	130,726	153,891
Capital Outlay	<u>103</u>	<u>120</u>	<u>1,000</u>
Total Expenditures and Expenditure Adjustments	<u>\$136,444</u>	<u>\$131,575</u>	<u>\$157,071</u>
FUND BALANCE	\$30,426	\$20,884	\$1,993
Reserve for economic uncertainties	30,426	20,884	1,993
0434 Air Toxics Inventory and Assessment Account ^s			
BEGINNING BALANCE	\$379	\$264	\$269
Prior year adjustments	<u>-342</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$37	\$264	\$269
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125600 Other Regulatory Fees	971	870	875
150300 Income From Surplus Money Investments	<u>2</u>	<u>1</u>	<u>1</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$973</u>	<u>\$871</u>	<u>\$876</u>
Total Resources	\$1,010	\$1,135	\$1,145
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
3900 Air Resources Board (State Operations)	<u>746</u>	<u>866</u>	<u>869</u>
Total Expenditures and Expenditure Adjustments	<u>\$746</u>	<u>\$866</u>	<u>\$869</u>
FUND BALANCE	\$264	\$269	\$276
Reserve for economic uncertainties	264	269	276
3070 Nontoxic Dry Cleaning Incentive Trust Fund ^s			
BEGINNING BALANCE	\$80	\$338	\$337
Prior year adjustments	<u>12</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$92	\$338	\$337
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125600 Other Regulatory Fees	<u>547</u>	<u>1,499</u>	<u>1,499</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$547</u>	<u>\$1,499</u>	<u>\$1,499</u>
Total Resources	\$639	\$1,837	\$1,836
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			

* Dollars in thousands, except in Salary Range.

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	2005-06*	2006-07*	2007-08*
Expenditures:			
0840 State Controller (State Operations)	1	1	1
3900 Air Resources Board (State Operations)	300	1,499	1,523
Total Expenditures and Expenditure Adjustments	\$301	\$1,500	\$1,524
FUND BALANCE	\$338	\$337	\$312
Reserve for economic uncertainties	338	337	312

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
Totals, Authorized Positions	978.4	1,071.6	1,066.6	\$66,059	\$71,839	\$72,301
Salary Adjustments	-	-	-	-	6,428	6,110
Proposed New Positions:				Salary Range		
Career Executive Assignment III	-	-	1.0	8,030-8,854	-	101
Staff Counsel III	-	-	1.0	7,682-9,478	-	102
Air Resources Sup II	-	-	3.0	7,096-8,626	-	282
Air Resources Sup I	-	-	7.0	6,465-7,857	-	599
Staff Air Pollution Specialist	-	-	3.0	6,022-7,319	-	239
Research Program Spec II (Econ)	-	-	4.0	5,137-6,197	-	272
Staff Counsel	-	-	2.0	4,674-7,828	-	103
Assoc Info Systems Analyst	-	-	2.0	4,467-5,702	-	118
Assoc Programmer Analyst	-	-	1.0	4,467-5,702	-	59
Assoc Accounting Analyst	-	-	1.0	4,467-5,431	-	59
Assoc System Software Spec	-	-	1.0	4,459-5,689	-	29
Assoc Budget Analyst	-	-	1.0	4,255-5,172	-	56
Assoc Governmental Program Analyst	-	-	4.0	4,255-5,172	-	225
Assoc Prsnl Analyst	-	-	1.0	4,255-5,172	-	56
Research Program Specialist I	-	-	1.0	4,255-5,172	-	56
Air Resources Field Rep II	-	-	4.0	3,968-4,822	-	210
Air Resources Engineer	-	-	70.0	3,838-6,844	-	4,694
Legal Analyst	-	-	1.0	3,589-4,363	-	12
Air Pollution Specialist	-	-	39.8	3,500-6,482	-	2,453
Prsnl Srvc Spec I	-	-	1.0	2,996-3,642	-	40
Office Technician	-	-	1.0	2,598-3,157	-	34
Accounting Technician	-	-	1.0	2,551-3,103	-	34
Overtime	-	-	-	-	-	308
Totals, Proposed New Positions	-	-	150.8	\$-	\$-	\$10,141
Total Adjustments	-	-	150.8	\$-	\$6,428	\$16,251
TOTALS, SALARIES AND WAGES	978.4	1,071.6	1,217.4	\$66,059	\$78,267	\$88,552

INFRASTRUCTURE OVERVIEW

The Air Resources Board has a headquarters location and several specialized field offices including motor vehicle testing and analysis laboratories and 48 air monitoring sites. The air monitoring sites are leased from public or private entities and consist of mainly air monitoring equipment. Many of these air monitoring sites are located on building rooftops, in small areas within buildings, or in a field.

SUMMARY OF PROJECTS

	State Building Program Expenditures	2005-06*	2006-07*	2007-08*
40	CAPITAL OUTLAY			
	Major Projects			

* Dollars in thousands, except in Salary Range.

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	State Building Program Expenditures	2005-06*	2006-07*	2007-08*
40.10 HAAGEN-SMIT LABORATORY		\$103	\$120	\$1,000
40.10.002 Haagen-Smit Laboratory Seismic Retrofit		<u>103^{Ps}</u>	<u>120^{Ws}</u>	<u>1,000^{Cs}</u>
Totals, Major Projects		\$103	\$120	\$1,000
TOTALS, EXPENDITURES, ALL PROJECTS		\$103	\$120	\$1,000
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FUNDING		2005-06*	2006-07*	2007-08*
0115 Air Pollution Control Fund		<u>\$103</u>	<u>\$120</u>	<u>\$1,000</u>
TOTALS, EXPENDITURES, ALL FUNDS		\$103	\$120	\$1,000

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

	2005-06*	2006-07*	2007-08*
3 CAPITAL OUTLAY			
0115 Air Pollution Control Fund			
APPROPRIATIONS			
301 Budget Act appropriation	\$103	\$1,120	-
Prior year balances available:			
Item 3900-301-0115, Budget Act of 2006	<u>-</u>	<u>-</u>	<u>\$1,000</u>
Totals Available	\$103	\$1,120	\$1,000
Balance available in subsequent years	<u>-</u>	<u>-1,000</u>	<u>-</u>
TOTALS, EXPENDITURES	\$103	\$120	\$1,000
TOTALS, EXPENDITURES, ALL FUNDS (Capital Outlay)	\$103	\$120	\$1,000

* Dollars in thousands, except in Salary Range.